

Message Text

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TO SECSTATE WASHDC 6143

LIMITED OFFICIAL USE PRAGUE 0928

FOR COMMERCE BEWT/TDAD (STECHSCHULTE)

E.O. 11652: N/A

TAGS: BEXP, ESTC, CZ

SUBJECT: LICENSING OR CO-PRODUCTION OPPORTUNITY
(HYPER-LOOP, INC.)

1. ING. LUDEK KRATOCHVIL, CHIEF, FOREIGN RELATIONS SECTION, TOVARNY STROJIRENSKE TECHNIKY (TST)--MACHINE TOOL TRUNS, APPROACHED EMBASSY RECENTLY WITH REQUEST FOR ASSISTANCE IN ESTABLISHING DIRECT CONTACT BETWEEN TST AND U.S. FIRM HYPER-LOOP, INC. (7459 WEST 79TH STREET, BRIDGEVIEW, ILLINOIS, 60455; TELEPHONE: 312-594-2288). ACCORDING TO KRATOCHVIL, TST HAS BEEN NEGOTIATING FOR SOME TIME WITH U.K. FIRM LUCAS CONTROL SYSTEMS, LTD., FOR LICENSE TO PRODUCE IN CZECHOSLOVAKIA SPINDLE AND SERVODRIVE SYSTEMS FOR WHICH LUCAS APPARENTLY HOLDS LICENSES IN EUROPE FROM HYPER-LOOP, INC. NEGOTIATIONS THUS FAR HAVE BEEN INCONCLUSIVE AND TST WOULD NOW LIKE TO EXPLORE POSSIBILITY OF BY-PASSING LUCAS AND DEALING DIRECTLY WITH HYPER-LOOP RE PROSPECTS FOR LICENSING AGREEMENT. KRATOCHVIL EMPHASIZED TO EMBOFF, THAT IN MAKING THIS DIRECT APPROACH TO HYPER-LOOP, TST WISHED AVOID IF AT ALL POSSIBLE ENDANGERING NEGOTIATIONS WITH LUCAS CONTROL SYSTEMS WHICH, ALTHOUGH DESULTORY, WERE STILL ONGOING. KRATOCHVIL MADE IT CLEAR, HOWEVER, THAT TST HAD LITTLE FURTHER INTEREST IN PURCHASING LICENSE FROM LUCAS, PREFERRING TO DEAL DIRECTLY WITH U.S. LICENSOR.

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2. SPECIFICALLY, TST INTERESTED IN KNOWING WHETHER:

(A) REPRESENTATIVE OF HYPER-LOOP WOULD AGREE TO MEET WITH TST OFFICIALS EITHER IN PRAGUE OR U.S. TO DISCUSS PROPOSAL;

(B) HYPER-LOOP WOULD BE INTERESTED IN DISCUSSING POSSIBLE "COOPERATION AGREEMENT" WHEREBY A TST FACTORY WOULD PRODUCE PRATS FOR HYPER-LOOP SERVODRIVE MECHANISMS AND SHARE OUTPUT WITH FIRM IN U.S. UNDER SOME SORT OF CO-PRODUCTION SCHEME.

3. ACCORDING TO KRATOCHVIL, DEPUTY DIRECTOR OF TST'S FOREIGN TRADE DIVISION, ING. BEDRICH NEMECEK, MET HYPER-LOOP PRESIDENT MERWYN SCHLENKER, AT HANOVER FAIR LAST SEPTEMBER ALTHOUGH HE COULD NOT CONFIRM WHETHER SPECIFIC LICENSING PROPOSAL DISCUSSED. KRATOCHVIL STATED THAT CZECHS ARE ALREADY "WELL ALONG" IN DEVELOPMENT OF SERVODRIVE UNITS SIMILAR TO HYPER-LOOP PRODUCT, BUT IN ORDER TO SPEED UP PRODUCTION WOULD LIKE TO IMPORT EITHER PARTS OR TECHNOLOGY FROM FIRM.

4. EMBASSY WOULD APPRECIATE COMMERCE ASSISTANCE IN SEEKING PRELIMINARY VIEWS OF HYPER-LOOP ON TST PROPOSALS AND ADVISING BY RETURN CABLE ASAP. SHOULD THERE BE INTEREST ON PART OF HYPER-LOOP, WE WILL BE PLEASED ASSIST IN SETTING UP MEETING WITH TST OFFICIALS, AS APPROPRIATE. AS COMMERCE AWARE, TST IS MAJOR INDUSTRY TRUST HAVING OPERATIONAL CONTROL OVER MORE THAN 25 MACHINE TOOL FACTORIES IN CZECHOSLOVAKIA.
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